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In recent years there has been a significant increase in the efforts of private industry to employ and train the hard-core unemployed youth and adults of this nation. The time has come, however, for a change in the continuing pattern of employers engaging in experimental and demonstration projects, each learning anew what others have learned about hiring, training, promoting, and providing compensatory and remedial services for the hard-core unemployed. Assistance and guidance must be provided to employers by government agencies whose staffs have acquired knowledge and competence in this field. Government agencies must begin to view themselves as major employers and to "practice what they preach" to nongovernment employers in terms of seeking out and providing meaningful job opportunities to the unemployed. A recent ruling by the Civil Service Commission and the Department of Labor allows Manpower Development and Training Act and other federal manpower monies to be used for reimbursing government agencies for hiring and training disadvantaged individuals. orts of government and industry, there must be a massive joint undertaking to eliminate those conditions in the country's elementary, secondary, vocational, and higher education schools which permit an individual to be disadvantaged when he enters the labor market. (ET)

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TOWARD GREATER INDUSTRY AND GOVERNMENT INVOLVEMENT IN MANPOWER DEVELOPMENT.

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September 1968

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The W. E. Upjohn Institute for Employment Research

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Preface

Part of this paper was presented to the Fifth Annual Conference of the Graduate School of Business, New York University, Eastern Academy of Management, April 19-20, 1968, and other parts were presented to the Annual Conference of the Southern California Industry-Education Council, Lake Arrowhead, California, August 7-10, 1968. The authors' views do not necessarily represent positions of the W. E. Upjohn Institute for Employment Research.

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Washington, D. C.
September 1968

Toward Greater Industry and Government Involvement in Manpower Development

Summary

Who is there among us who will not applaud the growing numbers of board chairmen, presidents, and other top executives who are pledging themselves and their companies to employ the so-called hard-core unemployed youth and adults of our nation? This outpouring of social conscience is proof that many of our country's leaders are dedicated, more than ever, to making it possible for all Americans to become full participants in the mainstream of our economic, social, and political life.

The fervor, excitement, and enthusiasm of the meetings at which these pledges are made, however, are rarely matched in the meetings of the personnel managers, office managers, plant superintendents, and foremen who must do the hiring, training, upgrading, and promoting of the disadvantaged chronically unemployed and underemployed. Even when the social conscience of managers and supervisors matches that of the head of their company, these people cannot suddenly shift gears from *managing personnel* and take on the unprecedented task, for most of them, of *developing the potential* of the persons whom they supervise and direct. As they attempt to carry out the pledges of their top executives, they soon learn that they are operating in uncharted areas foreign to the "business of running a business." There are just too many problems involved in developing a package of services for the hard-core unemployed which includes outreach for recruiting the disadvantaged, restructuring job duties, providing remedial and compensatory education and counseling services, eliminating traditional testing and other preemployment screening-out practices, providing special training programs and new kinds of promotional ladders, and arranging for "buddies" and "job coaches" to help the trainees adjust to the day-to-day requirements of the world of work.

Furthermore, many of those assigned the responsibility for developing such a packaged program quickly learn that their company has provided little or no funds to cover the costs of the program, including new incentives—material and otherwise—to foremen and supervisors. With production quotas and business as usual, middle management and frontline supervisors of the company soon recognize that they have become involved in a social service program within the company which they or their company is ill-prepared to undertake, and which their company is either unable or unwilling to finance on a massive scale commensurate with the magnitude of the problem, quantitatively as well as qualitatively. Even when the federal government subsidizes

the company for its special efforts and expenditures, what usually emerges is little more than an experimental and demonstration project involving a handful of disadvantaged and/or hard-core unemployed individuals.

Despite the difficulties and costs encountered, many employers in the private sector of our economy, with or without federal government subsidization, have been and are engaged in such experimental programs. What has been learned from the more successful programs has been widely disseminated in case studies and meetings by a variety of national business and industry associations, magazines, and government agencies, as well as university and foundation research reports. Also, newspapers and popular magazine articles, books, and television programs have played a role in publicizing the efforts of employers in resolving the problems of the hard-core unemployed. Unfortunately, there has been insufficient recognition by the manpower planners and the policymakers of our nation that:

1. There is considerable duplication of the companies named in the various published reports—the actual number of companies involved is extremely small and relatively infinitesimal when compared to the number of corporations and major employers in the United States.

2. The number of hard-core unemployed individuals hired, trained, and promoted in any particular company case study is very small compared to the total number of employees in the company.

3. The cost to companies per disadvantaged individual trainee is extremely high in terms of remedial education (not skill training) and social services; it is prohibitively so for most companies in terms of a long-range continuing activity as a regular part of their personnel programs.

4. Even though there has been wide dissemination of case-study reports of successful experiences in the hiring and promotion of disadvantaged individuals, employers continue to consider any such efforts on the part of their companies as experimental.

5. Few employers are providing upgrading and promotional opportunities and programs for their employees who require special and remedial services for both entering into and retaining initial jobs.

6. While many employers have hired and are still hiring disadvantaged individuals from minority groups, many other employers are involved primarily as the result of governmental pressures to eliminate discriminatory hiring practices.

7. Except for some special experimental programs, the individuals included in company programs have usually been "creamed" from the existing pool of the unemployed and underemployed.

The time has come for a change in the continuing pattern of employers engaging in experimental and demonstration projects, each learning *de novo* what others have learned about hiring, training, promoting, and providing compensatory and remedial services for the hard-core unemployed. To correct this situation, assistance and guidance must be provided to employers by government agencies whose staffs have acquired knowledge and competence in the field of working with the hard-core unemployed. Beyond this, government agencies must begin to view themselves as major employers and to "practice what they preach" to nongovernment employers in terms of seeking out and providing meaningful job opportunities to the unemployed.

Over and above these remedial efforts of government and industry, there must be a massive joint undertaking by both these segments of our economy to eliminate those conditions in our country's elementary, secondary, vocational, and higher education schools which permit an individual to be disadvantaged when he enters the labor market.[1] When quality education and training are available to all the youth of our nation, "equal employment opportunity" in its fullest and finest sense will become a reality and a way of life for this nation.

The Problem

The past and present inequality of educational and training opportunities for our citizenry has enmeshed the employers of our nation in experimental remedial programs for the hard-core unemployed. To understand this, let us examine, even though briefly and perhaps superficially, what the hard-core unemployed bring to the job and what the employer finds it necessary to do in order to develop the potential of such individuals as productive members of his work force.

The intensity of the unemployment problem of the hard core can probably best be understood from the question asked by concerned employers: "How do I go about hiring and training uneducated, unskilled, untrained, and unmotivated individuals?" It might be enough to point out that the employer probably has a number of such employees already on his payroll, but this doesn't help him much in doing something constructive about either his present group or those unemployed individuals whom we want to bring into the mainstream.[2] Possibly the first thing to be done is to help him understand something about the nature of those individuals considered hard core.

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[1]While not within the province of this discussion, the need for industry and government to work together in correcting inequities in health services, housing, etc., for minority groups is obvious.

[2]It has been observed that as employers obtain experience in working with trainees recruited from among the "hard-core unemployables" they are learning invaluable lessons in improving the effectiveness of their entire work force.

Elliot Liebow has a poignant description of a hard-core group in his study of Negro streetcorner men.

> When we look at what the men bring to the job rather than at what the job offers men, it is essential to keep in mind that we are not looking at men coming to the job fresh, just out of school perhaps, and newly prepared to undertake the task of making a living, or from another job where they earned a living and are prepared to do the same on this job. Each man comes to the job with a long history characterized by his not being able to support himself or his family. Each man carries this knowledge, born of his experience, with him. He comes to the job flat and stale, wearied by the sameness of it all, convinced of his own incompetence, terrified of responsibility—of being tested still again and found wanting.[3]

The picture is much the same for adults of other minority groups who, lacking in education, skills, and training, are living out a frustrated existence within a vicious cycle of failure. This is a notion foreign to many people, particularly those who have experienced some success. This same cycle of failure also plagues school dropouts and even high school graduates who have obtained only menial, low-paying jobs. What the employer must understand is, first, that the typical hard-core unemployed is not unemployable—he is chronically unemployed; and second, the cycle of failure must be broken by inserting a successful job experience that offers opportunity for the individual to utilize to the fullest his capabilities and desires. Realistically speaking, isn't this exactly what most people in the United States want from their jobs? "If you want to see some really motivated people, take a look at a guy who is having his first chance to make a living wage,"[4] stated an employee relations executive in a recent report on the hiring of the chronically unemployed.

Providing a decent job opportunity at decent pay is certainly a basic motivational factor. Assuming, however, that such an opportunity is provided, there are other problems which must be overcome. Some of the problems are minimal since the employer has had experience in solving them when dealing with other than hard-core unemployables, e.g., orienting trainees to the unfamiliar environment of a shop or office, or teaching specific job skills. Despite this experience, however, there are differences which have not been previously encountered. These differences are well described by the president of the Chrysler Corporation in commenting on his company's recent experience with a small group of hard-core trainees:

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[3] *Tally's Corner* (Boston: Little, Brown, and Company, 1967), p. 53.

[4] *Business and the Urban Crisis,* A Special Report (New York: McGraw-Hill Publications, 1968), p. 6.

> Training the hard-core unemployed—even for factory work—is more difficult than imagined and there are no overnight solutions . . . it can involve teaching a man how to catch the correct bus, or how to get up in the morning, or getting him glasses so he may learn enough reading for simple jobs. . . . These people . . . have to be taught the letters that spell common colors so they can read the instruction cards that tell them to put a blue or green steering wheel on a car as it comes down the assembly line. . . . They must learn simple addition so that they can count boxes of parts they take off a supplier's truck. . . . Some sign an "X" for their names. . . . We have had to overcome fear and resentment, hostility and a history of failure.[5]

While the report goes on to describe the successful adjustment of these trainees after a comparatively short period of training—particularly the development of attitudes which have resulted in staying on the job—it is quite evident that the number and extent of the problems presented the employer in dealing with the hard core is a "package" too unwieldy for more than a handful of the largest companies in the country. Frank H. Cassell, former director of the United States Employment Service, and now a management consultant, sums up the problem as follows:

> The job-holding ability of gang members, school dropouts, and the underprepared is generally poor in relation to the regular work-force. . . . Many such people lack staying power in training programs, preferring a job *now* with money to spend *now*. Their expectations are often unrealistic in terms of their background. Merely creating jobs will not correct this; the creation process in the absence of a job retention effort ends in more failure for both the individual and the employer. . . . What may be understandable behavior to the sociologist, is to the employer laziness and lack of responsibility; he cannot condone this. . . .[6]

Fortunately, the number of individuals posing this "package of problems" requiring a "package of remedial social service programs" is comparatively small, estimated variously at from 250,000 to 2,000,000 in an economy that produces a million and a half new jobs per year. While the estimates include urban and rural hard-core unemployed—whites, Indians, Negroes, Spanish-speaking groups, etc. —, the general public and most employers tend to think only of Negroes as comprising the hard core, most of them suffering the full gamut of deficiencies described above. As unrealistic as is this stereotype, there is no question as to the need of remedial education and social services for all trainees with a disadvantaged background, particularly those who are characterized as the hard-core unemployed.

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[5] "Jobless Training Begins With ABC's," *New York Times,* June 16, 1968, p. 52.

[6] "Realities and Opportunities in the Development of Jobs," *Business and Society,* Vol. 8, No. 2 (Spring 1968), published by Roosevelt University, p. 25.

The Employer

The experience of a number of employers who have been involved with the hard-core unemployed indicates that the cost of training one person can range from $2,000 to $5,000 or more. The current MA-3 (Manpower Administration) program of the Department of Labor offers up to $3,500 per trainee if the employer will provide for one year of training and promotional opportunities plus the remedial education, counseling, and other supportive services that we have learned must be provided the trainee in order to assure his job-holding power long enough to bring him well into the mainstream of our labor force.

It is expected that with the help of the National Alliance of Businessmen (NAB) a sufficient number of employers, with or without government subsidy, will pledge at least 100,000 jobs for the hard core by June 1969 and another 400,000 by the middle of 1971. While the "pledge goals" will probably be met, there is considerable question as to whether the nongovernment subsidized pledges will really provide meaningful jobs. Furthermore, many businessmen involved in the NAB effort characterize it as a nationwide "United Fund" campaign complete with the hoopla, rhetoric, and trappings of pledge meetings and collection and reporting of pledges at the local, state, and national level. Furthermore, there are questions as to the meaning of the reported figures. There is evidence that many of the jobs pledged are either menial, low-paying, dead-end jobs, or at levels too high as yet for the hard core to handle. Nevertheless, a number of employers are seriously engaged in this effort, and many others are casting about for practical ways and means to be involved.

To what extent are such programs meeting the real needs of our nation's hard-core unemployed? An indication of the gap between what is being done and what needs to be done is found in a recent report for Washington, D.C., where it is estimated that less than 10 percent of the unemployed will have jobs made available to them.[7] We can be pleased about this 10 percent group, assuming that none of these jobs are dishwashing in a lunchroom, but we cannot ignore the continuing problem of the remaining 90 percent. Even if the number of the hard core is open to question, reports from other major cities and rural areas indicate a severe gap between their number and the availability of decent jobs with decent pay.

There is also the question of what happens to the trainees, such as those included in the aforementioned Chrysler program, who, trained for specific jobs, lose their jobs in a layoff occasioned by a drop in production. Can they "sell" their minimal skills to other employers? How far can employers in

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[7] "Burgeoning Training Centers Barely Dent Joblessness," *The Washington Post*, April 4, 1968, p. C 13.

the private sector be expected to go in developing human resource potential while they are committed to the philosophy and practice of hiring people when needed and discontinuing employment when the people are not needed? So long as American industry and business continue this practice as a general way of doing business, the specter of unemployment must haunt all of us, particularly those in the semiskilled and operative jobs—the very jobs for which most of the hard core are being trained.

Leaving out for the moment the question of the hard-core unemployed, minority-group individuals still face tremendous barriers in terms of employment because of lack of educational and skill qualifications. Dr. Herbert R. Northrup, in his study of plant mobility of the Negro, states with regard to the aerospace industry:

> As the last hired and the most recently promoted, Negroes have found that their gains were washed out time and again. Yet in each cycle, further gains were made up the occupational ladder; today's have been the greatest. A long-run view can, therefore, tend to be optimistic. Yet the institutional factors affecting Negro employment and upgrading in the aerospace industry are formidably negative. The average Negro employment in the industry will surely remain below 10% in the foreseeable future, and upgrading of Negroes will move at a slower pace than employment because the educational and skill qualifications, which the industry cannot waive for the obvious reason of human safety, are still lacking in our Negro population.[8]

In reporting on the employment situation for Negroes in the automobile manufacturing industry, Dr. Northrup reports:

> Now that all automobile companies have not only opened their ranks to Negroes, but have been eagerly seeking apprentice candidates, other factors mitigate against success for Negroes in these jobs. Negroes who apply find they are less proficient in mathematics and score lower as a group in tests than do whites as a group. Most of the Negroes applying come either from Southern segregated institutions or from less desirable areas of the cities. . . . In the final analysis, however, the key to Negro advancement has been the rising demand for labor and the ability to assimilate unskilled personnel, give them a minimum of training, and let them pick up the job and learn their way through the narrow production job hierarchy.[9]

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[8] "Intra-Plant Mobility of Negroes," *Wharton Quarterly*, Summer 1968, published by University of Pennsylvania, p. 4.

[9] *Ibid.*, p. 7.

While Dr. Northrup uses such stereotypical statements as "Negroes as a group" concerning lower test scores and "educational and skill qualifications are still lacking . . . in our Negro population," he does, in his article, sum up much of the Negro educational problem as the result of past discrimination and continuing lack of educational opportunities in many sections of the United States.

To counter the narrow job hierarchy available to many Negroes, industry and business leaders in Washington, Philadelphia, New York, Los Angeles, and Rochester, at a capital expenditure of over $50 million, are arranging for the development of Negro-owned, -managed, and -operated businesses in central-city ghetto areas. With the aid of government financing for buildings, equipment, and training programs, and guaranteed purchases by the sponsoring companies, some 3,000 jobs are being created. Business leaders in other cities are undoubtedly planning to sponsor such a movement, since there is much to be said for helping minority groups to establish core-city industries and businesses. Furthermore, such businesses can take over some of the burden on present employers coping with the remedial and compensatory programs required for employing and promoting the hard core. Whatever the motivation, this movement should be encouraged. It will not come as a surprise to those knowledgeable in the field of education and training for the disadvantaged that these Negro-owned and -managed plants will be able to teach personnel and training directors a great deal about motivating, training, and promoting the hard-core unemployed. This, of course, is a long-range prediction. Immediate concern for proving that these enterprises are economically feasible will probably dictate selection of the best qualified applicants as employees and trainees.

Even large companies with highly sophisticated personnel departments have not exhibited any real know-how in working with the hard core, nor do many of them offer the package of remedial services needed by such trainees. Some of the companies, such as Westinghouse, have established a separate educational corporation to deal with the government and the hard-core trainees. Employers strongly feel, however, that education is the province of the educators and that counseling, medical, and family-problem services are the province of social service and health and welfare agencies. Even those employers who have successfully utilized remedial basic-education organizations, such as MIND, Inc., and the Board for Fundamental Education, find themselves involved in programs and activities too expensive and too unrelated to their business to warrant continuing involvement to the extent needed to make more than a dent in the employment problems of our nation. "Looking over what is being done to employ the poor in private industry," stated William L. Batt, Jr., in a recent article, "we can fairly conclude that more efforts are being started now than ever before, but they are still very small indeed in relation to the need."[10] What is required is an effort commensurate with the magnitude of the problem, realistically attuned to the manpower needs of employers and based on factors which will motivate employers to become involved in a major way in the fundamentals of human resource development and utilization. An examination of these motivating factors may

[10] "Incentives to Private Employers," prepared for presentation to the National Association for Community Development Conference, Washington, D. C., May 21, 1968.

well point the direction toward greater industry involvement in the manpower development program of our nation.

In recent decades employers in private industry have extended their concepts and practices of employer and corporate responsibility for good citizenship beyond that of operating at a profit, providing jobs, paying taxes, and doing community "good works." The major area of this expanded involvement has been in the field of education, particularly in support of colleges and universities, vocational and technical education, and vocational rehabilitation. Also, the hiring of handicapped individuals has increased. Involvement in other social action programs has been in terms of charitable fund drives, serving on study commissions, and promoting action by local and state legislative bodies. "Open housing" and the hiring and remedial training of disadvantaged individuals are still very much in the experimental stages. Therefore, we must look at those "social conscience" educational activities in which private industry has been engaged to draw conclusions as to ways and means for greater involvement in the current manpower problems affecting our society.

The National Industrial Conference Board estimates that corporate financial gifts to colleges and universities rose from $43 million in 1950 to $225 million in 1963, and are currently running about $300 million. The American Vocational Association estimates that there are some 100,000 representatives of business and industry involved in advisory committees to vocational-technical education programs in public secondary and post-secondary schools. And, there are numerous case-study reports of industry participation as members of advisory committees in prison rehabilitation training programs, Job Corps centers, sheltered workshops, and employment of the handicapped. It has further been documented that employers, national and local trade associations, professional organizations, and labor unions are spending over $160 million per year in providing instructional material and career literature pertinent to their particular fields of interest, at no cost to schools and colleges.[11] The major factor motivating employers and their representatives to become involved in these educational and training programs is their need of a continuing supply of well-educated and well-trained new employees for their plants and offices.

Employers' concern with the proper preparation of youth for jobs in their offices and plants has long been demonstrated through their involvement with colleges and schools in cooperative work-study programs. Such cooperative programs at the high school level have made it possible for students throughout the country to attend school part of the day and perform work for which they are paid in plants and shops the remainder of the day. Many employers

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[11]Samuel M. Burt, *Industry and Vocational-Technical Education* (New York: McGraw-Hill Book Company, 1967), p. 464.

have now extended these programs, or have initiated new ones that are specially designed for minority-group young people with disadvantaged backgrounds. And more and more employers are becoming involved in a new spontaneously originated program of "adopting" a particular high school in their community in order to improve the total educational program for all the students. The employers arrange for their professional, technical, and supervisory staffs to serve as part-time teachers; provide in-service training to the school instructors; conduct demonstrations of new techniques, products, and equipment for the students; and hire the students on a part-time basis for work in their offices and plants. These "adopt-a-school" employers are interested in making the school more relevant to the world of work, in improving the educational program of the school, and in motivating young people to stay in high school and even go on to further education. The employer expects that, sooner or later, some of these students will become his employees.

Where public schools and colleges have failed to provide the amount and type of manpower needed, employers *have supported and will support* other educational and training institutions, programs, and instrumentalities. In recent years we have seen the growth of area vocational-technical schools, junior and community colleges, technical institutes, Opportunities Industrialization Centers, labor union-operated schools, private trade schools, and programs designed to prepare youth and adults to produce on the job at a high rate of effectiveness in a minimal period of time. All of these institutions and programs (except the labor union schools and the private trade schools) have been made possible by increased taxes, of which the major burden is in one way or another on employers. Even the union-operated schools and training programs are paid for by special funds collected by the unions from employers as negotiated in labor-management contracts.

In contrast to this immense outlay of funds and time in support of education and training programs by employers outside their plants, a 1964 Department of Labor study found a comparatively small number of formal in-plant skill-training and upgrading programs being conducted for a very small number of employees. The great majority of such in-plant programs were, and still are, short-term safety training programs and executive development programs for foremen, supervisors, and executives. The truth of the matter is that most skill training in private industry is conducted informally and that few employers have any idea of the costs of training their employees. It is obvious that most employers much prefer, and will support in terms of money and time, educational and training programs to meet their manpower needs (either generally or specifically but preferably specifically) conducted by some institution, agency, or organization other than their own, outside their plants and offices. (This preference for somebody else to provide

companies with skilled manpower extends to letting other employers do the training and then "pirating" the skilled personnel.)

These generalizations are not made as a criticism: they are simply a fact of life in the world of business and should be recognized as such by the manpower specialists responsible for planning our cooperative government-industry manpower development programs. The planners can learn a great deal about education-industry cooperative efforts from educators who have long been involved in developing such programs. There is also much to be learned from educators involved in educating and training physically and mentally handicapped (disadvantaged) people and placing them in jobs.

The lesson is really simple—provide a program which will supply the employer with the kind of people he wants, and the employer will support it both financially and through a personal involvement—but don't ask the employer to turn his plant and office into a social service agency or an educational institution. He is paying taxes to the government and is contributing huge sums to educational and charitable institutions to provide such services. He will readily admit that the present programs are inadequate and must be changed. If he can be persuaded that any particular new program or programs will do the job more effectively, he will support them either by paying additional taxes or by increasing his contributions.

But despite the considerable support of education by industry and the American public at large, there is a growing awareness that our schools have served well a comparatively small segment of our population, have provided only a mediocre education to the great majority of our youth, and have not served at all a sizable group of people who find themselves competitively disadvantaged in attempting to enter the mainstream of our economy. For society to blame the disadvantaged group for their lack of education and training—when these very deficiencies are the result of society's indifference, discrimination, and neglect—is a specious argument of the worst kind. It therefore behooves society through its legislative and administrative structure to remedy the mistakes of the past.

The Government

Our nation has acknowledged its responsibility, but the administrative agencies of our government have as yet responded but partially to the need. The government agencies charged with administering the various manpower programs adopted by Congress have engaged in policies and programs to cajole, persuade, intimidate, and subsidize employers in the private sector of our economy in an effort to have them accept the major burden of remediation. As employers in their own right, the government agencies have been deaf to their own rhetoric and almost nonparticipants in the programs they are advocating for industry.

Nevertheless, many employers in business and industry have responded to the government's programs, particularly the large companies, and have become involved in providing jobs and training opportunities because of several factors. One is their reliance on government contracts prescribing nondiscrimination in hiring and training. Another is the growing recognition that so long as large numbers of our population are poor and unemployed their potential as consumers of industry's products lies dormant. A potent factor is the realization that the rising expectations of the disadvantaged can lead to uncontrollable chaos in our cities unless visible, positive, and massive remedial efforts are undertaken to break the cycle of poverty and failure. A fourth, and very important factor, is the need for industry, business, and the professions to resolve their manpower shortage problems in this time of almost "full employment" when the least advantaged and the disadvantaged individuals of our nation are the only source of manpower available.[12] These factors, combined with the recognition by leaders of industry that they must involve their companies in all types of public service activities designed to further the welfare of their community, their state, and their nation, have led government agencies at all levels, with the help of subsidies to employers, to engage in a number of projects and programs for employing and training disadvantaged minority-group individuals, many of whom were previously considered unemployable. Experience of employers in dealing with these "unemployables" has demonstrated that when they are provided the opportunity to work and to be trained, plus compensatory education, health services, and other social services to the degree needed, they are as trainable, productive, and promotable as most other employees. Moreover, employers have found that as they expand their efforts and gain experience in developing the potential of newly hired disadvantaged individuals they will be applying the lessons learned to the development of the potential of *all* their employees. Every successful effort with an individual previously classified as "hard-core unemployed" can provide needed insights being sought by employers for better utilization of their manpower *in toto*. But manpower development is still a new practicum (although an old idea) for most employers in private industry. The experimental programs in which many of them are currently engaged, while proving that manpower development programs can succeed when applied to small groups of individuals, need to be expanded on a massive scale. Only large employers are capable of mounting the large-scale effort needed. And only a comparative handful of the large employers in private industry can presently afford to become involved in such an effort

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[12]It is suspected that, if employers were given free rein to import skilled manpower from foreign countries, many more skilled persons would be brought in than are presently being allowed under the regulations administered by the U. S. Department of Labor.

in a meaningful way.[13] Local, state, and federal government agencies—a sizable group of large employers—have so far been laggard in their efforts. Employers in private industry have the right to ask government to look at itself as an employer—to practice what it preaches to the private sector. And they also have the right to ask the government to take the initiative among its own agencies in attempting to rectify its own past and present failure before throwing the major remedial burden on private industry. But, even before we address ourselves to this problem, there are services which government agencies—particularly the federal agencies involved in manpower development—should be providing employers in the private sector to help them in overcoming much of the experimental nature of their employment programs for the hard core.

Some Direction Priorities

One of the major services which government should make available to employers is the knowledge and expertise of manpower specialists who have learned how to educate, train, and promote the disadvantaged and the hard core. Some of these experts, who have gained their experience in government service and as researchers funded by government agencies, are now in business for themselves as consultants. Many more who are still in government service are writing papers, continuing their research, attending meetings, and serving as coordinators of federally sponsored programs. They could better be used to advise employers concerning the initiation of employment opportunity programs for the hard core and the day-by-day nitty-gritty conduct of remedial programs in their offices and plants. With such practical assistance available, employers would be more inclined to involve large numbers of "unemployables" in an ongoing program. As it is, a considerable amount of the funds provided by the government to employers is wasted while each employer goes through a period of trial and error and learns the hard way what he must do to succeed. If the lesson is too frustrating and bitter, he will be disenchanted from becoming further involved. When a government agency provides several million dollars to an employer to engage in what, to the employer, is an experimental program, it seems eminently sensible that the agency should also provide a few thousand dollars extra for a project adviser. The savings resulting from the services of such advisers would undoubtedly run into millions of dollars. More than that, not only could more employers be persuaded to become involved in the program, but also greater numbers of the unemployed would be provided employment opportunities.

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[13]Significant and important insights for "high support" initial hiring and training of disadvantaged individuals are reported in studies available from the U. S. Department of Labor. Particularly recommended are the reports from JOBS NOW (Chicago), Skill Advancement Institute (New York City), and Project Gatekeeper (Washington, D. C.).

Another priority, and a most important support service needed by employers from agencies responsible for locating, recruiting, and referring the hard-core unemployed to them, is for these agencies to provide "job coaches." The job-coach concept and practicum were first developed on a large scale by the JOBS NOW project in Chicago.[14] Essentially, the coach is an empathetic individual assigned to assist a caseload of from 20 to 30 hard-core trainees in adjusting to the world of work, and to assist employers in coping with the major problems presented by the trainees. The job-coach concept has been so successful that it has become a basic ingredient of the "package of social services" recommended to employers subsidized by the government to hire and train the hard core. This being true for large companies, then ways and means must be found to make such staff and service available to the medium- and small-size companies in our nation, most of whom have as yet resisted involvement with the hard core as employees. Experience in Chicago, Cleveland, and other cities has demonstrated that when the job-coach service is provided by the job development agency these small- and medium-size companies will hire the hard core. The most logical agency for providing job-coach staff and services on a large scale to many employers appears to be local offices of the State Employment Service. This, of course, means a fundamental change in the Employment Service, for at present the only followup with employers is to determine whether an individual referred to a job was actually hired. The job-coach service calls for the coach to work with the individual trainee and the employer for a period of time after job placement. If the services of job coaches will involve more employers in working with hard-core individuals, thus opening up more jobs for more of the hard core, then the government should use some of its manpower and war-on-poverty funds for making such staff available.

While this paper is focused on the problems of providing employment and promotional opportunity options for the unemployed and underemployed poor, it is recognized that much of the hostility of majority groups to minorities stems from an unreasoning fear of loss of jobs and other imagined dire consequences resulting from equality of education, civil rights, etc. We have already pointed out the need for our economy to remove some of the basic causes for such fears. One needed approach to this problem is to make certain that, as technology advances and industry and business demand new types and levels of skills and knowledge, all employees are assured continuing opportunity for skill training, retraining, and upgrading on the job. However, for employers to provide such opportunities as a matter of ordinary business operations, they will need more incentives than the usual business expense tax deductions now permitted under our tax laws. Among the more interest-

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[14]For a detailed description of the job coach and how he functions, see the report of JOBS NOW, submitted to the U. S. Department of Labor, June 1968.

ing solutions advanced by economists and legislators is the "tax credit" to employers for conducting special types of training programs. The current proposals have been criticized as being cumbersome and favoring "big business," among other things, and have received little support from our nation's manpower planners. It is suggested that the "tax-credit" concept as applied to employers conducting training programs for their employees be given serious attention. It should be possible to apply the tax credit across the board for any employer conducting *bona fide* training programs. The validity of the programs could be certified by local or state education officials using guidelines established in the same manner as those for certified apprentice training. Local and state school officials, including those concerned with higher education, would thus be provided the much needed opportunity to articulate school and industry (and business) education and training programs in cooperation with employers. At the same time, employers would be encouraged to establish continuing education and training programs in conjunction with the schools (public and private) by means of the special tax credits for such programs. To bring this concept into the realm of the possible will, of course, require the support of the Bureau of the Budget and the Treasury Department; they must be persuaded that the loss of revenue resulting from these tax credits will be more than offset by reductions in expenditures of federal agencies involved in various manpower programs. The tax-credit idea has much to offer and should be studied in depth as a new direction for government-industry cooperation in the field of human resources development and utilization.

Another priority service for government agencies is the provision of needed leadership and guidance for employers as they become more involved in educational programs and problems in their communities and states. For the most part, any such involvement has been at the instance of the employers themselves, and then primarily in vocational and technical education programs which are of immediate interest to individual employers and specific industry groups. While vocational educators have cooperated with employers, the academicians who run our school systems have been less inclined to permit employers and other citizen groups to examine, evaluate, and become involved in the totality of our educational program. There must be direction and leadership at the national level, dedicated to the proposition of inviting and developing community involvement in school affairs, to assist local and state school officials and boards in this matter. Without such leadership, local school administrators will not generally bring employers and other community groups into a meaningful, working partnership, despite the fact that there is a growing awareness that education is too important and too complex to be left in the hands of educators alone. Employers are ready and willing to become involved in improving educational programs, even at the grade-school level. They have learned in the past few years that good education

for young people, while they are in school, is a positive preventive for costly and troublesome remedial education for adults in their plants and offices at a later date.

However, since compensatory and remedial education and training programs must be provided now for a great number of youth and adults out of school, and since experience has demonstrated that such programs are most successful when conducted in conjunction with paid, useful, and productive employment, the most urgent priority for manpower planners and policymakers is to involve more employers than are involved at present—particularly large companies.

Recognition of this fact makes it all the more remarkable that government agencies—a very large group of large employers—have failed to view themselves as employers. They have expected employers in the private sector of the economy to exhibit a high degree of social conscience by employing the disadvantaged and the hard-core unemployed, but have consistently resisted becoming involved themselves in such activities to any extent. Government agencies at the federal, state, and local level have failed to practice what they have been preaching. Had they taken their own advice to nongovernment employers, more of the disadvantaged would now be employed in government agencies. Had they set an example for employers in the private sector, it is reasonable to believe that even more of the disadvantaged would now be employed in business and industry. Government agencies must become involved as employers themselves if there is to be any hope that our country will meet its obligations to all our citizens. The remainder of this paper is devoted to the role of government agencies as employers.

Government Agencies as Employers

What is proposed herein is that government agencies—federal, state, and local—assume the same social-conscience obligations as are being demanded of employers in the private sector of our economy. To suggest that a public agency or agencies are defaulting in social responsibility is ridiculous *prima facie*; yet facts supporting this contention are tragic. It is well known that widespread racial discrimination does exist in hiring and upgrading minority-group individuals at all levels of government. The first action then that needs to be taken is for the President and the Civil Service Commission to enforce the present regulations and develop any needed new ones concerning the upgrading of the human resources development efforts of federal government agencies—even beyond any comparable effort by private industry. In the same way that such programs can be enforced in federal agencies they can be enforced in state and local government agencies by the appropriate executive bodies and officers. Permissive legislation already exists at all these levels; what is really needed is for the agency administrators to demonstrate their professed concern.

Little or no legislation is needed at the federal, state, or local level for government agencies to engage in special recruiting, hiring, training, and upgrading programs for the disadvantaged. Many agencies have rationalized their refusal to hire disadvantaged individuals with rhetoric concerning the need for efficiency and quality of public service—yet they do not see any incongruity in assuring industry that these same disadvantaged individuals can be trained to be employees as good as most other employees on their payrolls.

As a matter of fact, a part of the money now being spent by government agencies in cajoling and coercing industry to become involved in manpower development programs could better be spent by these same agencies in actually providing jobs for the disadvantaged within their own offices and shops. What kinds of jobs? Exactly the same kinds of jobs and training opportunities being sought from private industry. Other than the factory assembly-line jobs in private industry—which are not the type of jobs the government would be subsidizing as "training" in any event—there are few, if any, jobs in government which do not find their exact or related counterparts in industry. Government agencies, as do companies, employ and train typists, secretaries, electronic data-machine operators and programmers, office equipment repairmen, welders, auto mechanics, draftsmen, painter-plasterers, plumbers, printers, carpenters, medical technicians, nurses' assistants, etc. These jobs happen to be the kinds of jobs for which there is a shortage of skilled manpower, and, in which, coincidentally, many disadvantaged would like to be employed. Since disadvantaged individuals cannot compete for these jobs, government agencies should employ them as trainees, just as industry has been asked to do. And just as government reimburses industry, so should government reimburse its own agencies from MDTA and other federal anti-poverty and manpower development funds. At the conclusion of the training program, a trainee would then have the *option* of applying for a position in government through a regular civil service examination or seeking a job in industry. (If he is unable to obtain a job in government or industry at a level and pay status commensurate with his newly acquired skills, he may be "recycled" into a new trainee position in government service.) This program is conceived as "government as the employer of initial employment opportunity." This concept is the antithesis of "government as the employer of last resort," which connotes made-work and welfare-type jobs *after all other efforts have failed* to make an individual employable.

Government as the employer of initial employment opportunity is not really a new concept. For example, for many years the commercial aviation industry looked to the Air Force for its pilots and mechanics, and many businesses have hired computer operators, mechanics, printers, and other skilled workers who received their training in the armed services and other government agencies. Many lawyers now in private practice obtained their

initial job experience in government agencies. Government agencies should now turn their attention to the disadvantaged as target people who need special assistance in developing salable skills for which industry will be glad to compete.

Industry welcomes into its work force individuals who have skill training and work experience and have been on a payroll for even as short a period as one year, especially individuals who have been trained for specific jobs or a related cluster of jobs, and for whom there would be no need to lower hiring standards. And there would certainly be no need for government to cajole industry with subsidies to provide job opportunities for those individuals who already have salable skills as a result of government agency training programs. Given such individuals as their new employees, socially conscious employers could address themselves to rooting out—in the work place and in the community—any overt discriminatory practices dealing with skill-upgrading and promotional opportunities, education, housing, and health and welfare services instead of expending most of their energies in overcoming prejudices which have kept noncompetitive minority-group individuals from getting into the work place in the first instance.

The program outlined above not only calls for government agencies to utilize the disadvantaged and hard-core unemployed to fill existing on-the-job training opportunities, but also involves the creation of new training opportunities. By restructuring skilled jobs into a series of lesser skilled operations, there can be developed a promotional ladder which will provide the opportunity to train employees at each level. This is exactly what government manpower planners are asking employers in the private sector to do.

Thus far, we have been discussing the establishment of trainee positions in established job patterns. In addition to these jobs, there are the so-called "new careers"—subprofessional trainee types of jobs in areas of government service, desperately needed but not yet offered because of lack of funds. The extent of this need and the number of potential jobs involved are indicated in a recent report prepared for the Urban Coalition, which identified 140,000 such job possibilities in 130 cities of over 100,000 population. The survey found that the greatest number of jobs which could be filled immediately by unskilled and semiskilled persons were jobs as aides in the fields of education, police and fire protection, health and hospitals, social welfare, and parks and recreation. Every one of these jobs, it was determined, could be filled, at entry level, by the disadvantaged inner-city residents.[15] Since the above figures pertain only to major cities, we can easily double, triple, and

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[15]Harold L. Sheppard, "Preliminary Report on Public Service Employment Needs in Cities with 100,000 Population or More," hearings before the Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare, U. S. Senate, 90th Cong., 2d Sess., April 1, 1968, pp. 168-173.

quadruple the number by taking into account the new career opportunities of other city, state, and federal government agencies. And there are special government funds available for such new career opportunities.[16]

Lest the "new direction" appear fanciful and unrealistic, it will be of interest to note that some local, state, and federal governmental agencies have been experimenting with the hiring and training of disadvantaged minority-group individuals in much the same way as has private industry. Their successful experiences, buttressed by the successful experiences of private industry, have not only persuaded other governmental agencies to experiment along the same lines but also resulted in a recent ruling by the Civil Service Commission and the U. S. Department of Labor that MDTA and other federal manpower monies may be used for reimbursing the agencies for hiring and training disadvantaged individuals.[17] Among the first agencies to take advantage of this ruling was the United States Employment Service; it has instructed its affiliated state agencies to employ 2,000 disadvantaged individuals for training in a carefully structured career-development program starting as interviewer aides and leading, potentially, to full professional status. The instruction to the state offices called for "throwing away the rules books" in the recruitment and hiring process. Here is a fine example of what can be done when an organization is committed to a social action program. Other federal agencies can and should follow suit.

If a goal were established to place at least 500,000 unemployed and underemployed disadvantaged individuals per year in government-conducted "opportunity employment" and new career jobs, this country would be engaged in a cooperative government-industry manpower development program which, in a short time, could resolve the problem of the chronically unemployed and underemployed. This program would assure the disadvantaged minorities that our nation is committed to the proposition that they are to be a part of the mainstream of our way of life—as producers, taxpayers, and consumers worthy of being properly courted by employers in both the public and private sectors of the economy.

The time is long overdue for realizing that the employment problems of the disadvantaged cannot be resolved by the strategies and tactics of a charitable or building-fund drive. That the businessman has responded as well as

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[16]See Sidney A. Fine, *Guidelines for the Design of New Careers* (Kalamazoo: The Institute, September 1967), for detailed procedures for establishing new career job ladders; also, Garth L. Mangum, "Guaranteeing Employment in the Public Sector," a paper prepared for presentation before the National Association for Community Development Conference, Washington, D. C., May 21, 1968, for an excellent discussion of government-agency experience in, and funds available for, establishing new careers.

[17]U. S. Civil Service Commission, F.P.M. Letter No. 300-7, 10/6/67, and U. S. Department of Labor, M.A. Order No. 1-68, 1/4/68.

he has to the past and current inadequate efforts of government planners demonstrates that he will respond to an even greater extent to realistic efforts and programs which are based on both his and society's needs.

Are government-agency manpower planners and policymakers ready to accept the proposition that government agencies can and must be involved to a greater extent than at present in the hiring and training of the disadvantaged? There are some such indications as previously mentioned. In addition, Representative James G. O'Hara, (Democrat, Michigan) is holding hearings, with the support of 80 other Members of Congress, on his Guaranteed Employment Act to create one million public service jobs for the hard-core unemployed. George Meany, president of the AFL-CIO, testifying in favor of the bill, pointed out that it "should include provisions for assistance to help these people move up the job and income ladder to better paying and more skilled jobs in public and private employment." Mr. Meany also stated, "The fact is that the private sector just cannot do the job alone. I think it is time Congress faces up to this fact and stops trying to pass the buck to private employers." [18]

Another most interesting piece of legislation has been introduced by Senator Joseph Tydings (Democrat, Maryland). This bill calls for the establishment of an office in the Civil Service Commission, in effect to force federal and District of Columbia government agencies to hire and train disadvantaged youth and adults. If government agencies would fill many of their present vacancies with trainees from among the disadvantaged population—instead of keeping the jobs vacant, which many are doing rather than getting involved —and would utilize presently available antipoverty and training funds, there would be little need to pass new legislation and new funding.

A further indication of relevant government-agency response is the recently announced new examination for worker trainees by the federal Civil Service Commission. This new classification is specially geared to the disadvantaged, and is most commendable. As yet, there are no requirements that government agencies provide remedial education; counseling; job coaching; and in-service and out-service promotional, training, and education opportunities being asked of private industry employers. If government-industry cooperation is to have any meaning, then government agencies, in their stance as employers, must practice what they are preaching to private industry employers.

Promotion of the concept that government agencies at all levels are employers, as well as agencies of the public, could well be one of the major activities of the National Association of Manufacturers, the Urban Coalition, Plans for Progress, and other concerned groups. Some of the alternatives,

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[18] Hearings before the Select Committee on Labor of the House Education and Labor Committee on H.R. 12280, 90th Cong., 2d Sess., May 7, 1968, Washington, D.C.

such as "government as the employer of last resort," the negative income tax, and the guaranteed annual income seem incongruous—it appears that their advocates have lost faith in the very essence which makes American society unique. These alternatives are designed to keep the unemployed poor people quiet. This is now impossible.

Who will be in opposition to government agencies providing job opportunities and training for the disadvantaged as outlined in this paper? The unemployed and underemployed will not oppose the proposed job-training opportunities. The frontline supervisors, middle management, and executives in private industry will not oppose the opportunity to obtain employees with skills and demonstrated job-retention ability. The opposition will come from individuals and groups who subscribe to the myth that *only* private industry can develop efficient and effective solutions to society's problems, and that government is intrinsically an inefficient bureaucracy. It will come from those in private business and industry whose profits depend on exploitation of unskilled and uneducated individuals. Opposition will come from those individuals in both government and the private sector who resent becoming too deeply involved with Negroes and other minority groups and from those who do not want to change their hiring, training, and promotion practices. It will come from those in government who prefer to build "empires" consisting first of agencies to administer manpower programs and then additional agencies and staff to coordinate the ineffectual activities of the first group of bureaucrats. More than these potential sources of opposition, however, the real problems are that too many government manpower planners are either lacking in knowledge as to those factors which motivate industry to implement its social consciousness, or are themselves unmotivated to make any real change in the *status quo* of their daily activities. How then can they hope to motivate industry people?

Among the unique features of our society is its pluralism. There surely is a role for business, industry, labor, schools, and government agencies, separately and jointly, in providing to disadvantaged Americans the kinds of opportunities that most other Americans have. Government as the employer of initial employment opportunity for disadvantaged minority-group individuals is surely a necessary part of the wave of the future. The magnitude of the problems and the intensity of the passions of our time call for the surge of that wave NOW.